

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF CMIK)	APPEAL NO. 07-A-2723
PROPERTIES, LLC from the decision of the Board)	FINAL DECISION
of Equalization of Valley County for tax year 2007.)	AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing February 28, 2008, in Cascade, Idaho before Hearing Officer Travis VanLith. Board Members Lyle R. Cobbs, David E. Kinghorn and Linda S. Pike participated in this decision. Owner Clay Wright appeared for Appellant CMIK Properties, LLC. Assessor Karen Campbell, Chief Deputy Assessor Deedee and Appraiser Charles R. Pickens appeared for Respondent Valley County. This appeal is taken from a decision of the Valley County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. RPM04880050100A.

The issue on appeal is the market value of a residential property.

The decision of the Valley County Board of Equalization is affirmed.

FINDINGS OF FACT

The subject property's assessed land value is \$125,090, and the improvements' valuation is \$291,090, totaling \$416,180. Appellant requests the land value be reduced to \$85,000, and the improvements' value be reduced to \$270,000, totaling \$355,000.

The subject property is a .3 acre lot located in the City of McCall. According to County records, the lot is improved with a 1,802 square foot dwelling built in 2004.

Appellant contested subject's assessed value due to price inconsistencies between it and the average prices reflected by nearby listings and sale prices during the last year.

Two (2) assessment notices on subject were received for 2007. The first had a total assessed value of \$405,940. The second notice was for \$416,180.

Appellant presented nine (9) "current" listings in subject's subdivision as well as 11 sales. The listing information is understood to date to July 2007. The sale dates were reportedly from the last 12 months, i.e. from July 2006 to July 2007. Appellant estimated the average price per square foot for both the asking prices and the selling prices. Appellant then multiplied both these numbers by its measurement of the subject residence's square footage. The resulting price range was \$338,445 to \$374,415. A point estimate of \$355,000 was chosen. The sale and listing residences ranged in size from 1,400 to 2,900 square feet. There was no comparison or information shared on construction quality or condition.

According to Appellant, the subject residence has 1,635 square feet. The size was obtained from the contractor's blueprints measuring the inside area of the dwelling.

Respondent presented the sale ratios for five (5) property sales in support of subject's 2007 assessed value. Three (3) sales were located in subject's subdivision. The sales were similar to subject in construction grade and condition. Square footage for the residences was not provided. The sale dates ranged from September 2005 to September 2006. The average assessed value to sale price ratio was 103%. The range indicated by the five (5) sales was 98% to 108%. Sale prices were not time adjusted for older sale dates.

The County also presented details on its cost approach to value used in the assessment of subject. The County used exterior measurements and reported this was the norm for appraisal and real estate purposes.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in

support of their respective positions, hereby enters the following.

In valuing property for taxation purposes, Idaho adheres to a market value standard.

Market value is defined in Idaho Code § 63-201(10) as follows.

[T]he amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Idaho law also establishes the germane lien (appraisal) date of January 1, 2007. Idaho Code § 63-205(1):

All real, personal and operating property subject to property taxation must be assessed annually at market value for assessment purposes as of 12:01 a.m. of the first day of January in the year in which such property taxes are levied, except as otherwise provided. Market value for assessment purposes shall be determined according to the requirements of this title or the rules promulgated by the state tax commission.

Therefore sales or market information used in subject's assessment must be information available before January 1, 2007. Some of Appellant's market information was probably from 2007 and some likely before. But Appellant was unable to distinguish which sales took place prior to the assessment and appraisal date. Because of this, it is impossible to tell what sales evidence was timely and relevant. The listing price information was clearly after the applicable appraisal date.

On square footage of the residence, both parties have presented supported measurements. However, Respondent clearly followed a standard practice in measuring the outside of the dwelling area. The practice was consistently followed and applied. Nothing more was required.

In order to prevail, Appellant must overcome the burden of proof under Idaho law. Idaho Code § 63-511(4). The value of property for purposes of taxation as determined by the assessor

is presumed to be correct; and the burden of proof is upon the taxpayer to show by [a preponderance of the] evidence that he is entitled to the relief claimed. Board of County Comm'rs of Ada County v. Sears, Roebuck & Co., 74 Idaho 39, 46-47, 256 P.2d 526, 530 (1953).

Appellant put forth what would normally be good evidence of market value by offering information on 11 sales of comparable property. However, where the Board could not determine the timing associated with the sale transactions, it did not find the evidence relevant or helpful to measuring subject's market value. Subject's assessed value was arrived at through a market-calibrated cost approach and with reference to timely sales of comparable properties. There was support for the assessment. Appellant failed to demonstrate by a preponderance of the evidence entitlement to relief. Therefore the valuation by the Valley County Board of Equalization will be affirmed.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Valley County Board of Equalization concerning the subject parcel be, and the same hereby is affirmed.

MAILED APRIL 30, 2008